

API NUMBER: 043 23760

OKLAHOMA CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
P.O. BOX 52000
OKLAHOMA CITY, OK 73152-2000
(Rule 165:10-3-1)

Approval Date: 08/17/2022
Expiration Date: 02/17/2024

Multi Unit Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 27 Township: 17N Range: 16W County: DEWEY

SPOT LOCATION: SW NW NW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2272 250

Lease Name: OAKES Well No: 3H-27-22 Well will be 250 feet from nearest unit or lease boundary.
Operator Name: CITIZEN ENERGY III LLC Telephone: 9189494680 OTC/OCC Number: 24120 0

CITIZEN ENERGY III LLC
320 S BOSTON AVE STE 900
TULSA, OK 74103-3729

RICHIE OAKES AND STANLEY OAKES
233565 E 750 ROAD
PUTNAM OK 73659

Formation(s) (Permit Valid for Listed Formations Only):

| Name | Code | Depth |
|-----------------|---------|-------|
| 1 MISSISSIPPIAN | 359MSSP | 12000 |

Spacing Orders: 675013 Location Exception Orders: 727583 Increased Density Orders: 727550
727546
727547

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 19500 Ground Elevation: 1803 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 220

Deep surface casing has been approved

Under Federal Jurisdiction: No
Fresh Water Supply Well Drilled: No
Surface Water used to Drill: Yes

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 22-38490
H. (Other) SEE MEMO

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 8000 Average: 5000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: BED AQUIFER

Pit Location Formation: RUSH SPRINGS

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 300000 Average: 200000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: BED AQUIFER

Pit Location Formation: RUSH SPRINGS

This permit does not address the right of entry or settlement of surface damages. The duration of this permit is 18 MONTHS, except as otherwise provided by Rule 165: 10-3-1. Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

MULTI UNIT HOLE 1

| | | | | |
|--------------------------------|-----------------------|------------|------------------------------------|-----------------------------|
| Section: 22 | Township: 17N | Range: 16W | Meridian: IM | Total Length: 7553 |
| County: DEWEY | | | | Measured Total Depth: 19500 |
| Spot Location of End Point: N2 | NW | NW | NW | True Vertical Depth: 12000 |
| Feet From: NORTH | 1/4 Section Line: 165 | | End Point Location from | |
| Feet From: WEST | 1/4 Section Line: 330 | | Lease, Unit, or Property Line: 165 | |

NOTES:

| Category | Description |
|---|--|
| DEEP SURFACE CASING | [8/3/2022 - GC2] - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING |
| HYDRAULIC FRACTURING | <p>[8/3/2022 - GC2] - OCC 165:10-3-10 REQUIRES:</p> <p>1) NOTICE SHALL BE GIVEN AT LEAST 5 BUSINESS DAYS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS ON A HORIZONTAL WELL TO OPERATORS PRODUCING WELLS WITHIN 1 MILE OF THE COMPLETION INTERVAL OF THE SUBJECT WELL. THE NOTICE TO SUCH OPERATORS SHALL CONTAIN THE INFORMATION IN FORM 6000NOO. IF THE HYDRAULIC FRACTURING OPERATIONS SCHEDULE CHANGES AFTER NOTICE HAS BEEN PROVIDED, RESULTING IN A DELAY OF OPERATIONS OF MORE THAN 5 DAYS FROM THE INITIAL NOTICE, NEW NOTICE IS REQUIRED TO BE GIVEN;</p> <p>2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS. FORM 6000NH shall be used and is found at this link: OCCWEB.COM/OG/OGFORMS.HTML; AND,</p> <p>3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT FRACFOCUS.ORG</p> |
| INCREASED DENSITY - 727550 (CD2022-002899) | <p>[8/16/2022 - GB6] - (E.O.) 27-17N-16W X675013 MSSP 2 WELLS CITIZEN ENERGY III, LLC 08/09/2022</p> |
| INTERMEDIATE CASING | [8/3/2022 - GC2] - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES |
| LOCATION EXCEPTION - 727583 (CD2022-002895) | <p>[8/16/2022 - GB6] - (E.O.) 22 & 27 -17N-16W X675013 MSSP 27-17N-16W X727546 MSSP 22-17N-16W COMPL. INT. (22-17N-16W) NCT 165' FNL, NCT 0' FSL, NCT 330' FWL COMPL. INT. (27-17N-16W) NCT 0' FNL, NCT 2500' FSL, NCT 330' FWL NO OPER. NAMED 08/11/2022</p> |
| MEMO | [8/3/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT |
| SPACING - 675013 | <p>[8/15/2022 - GB6] - (640)(HOR) 27 -17N-16W VAC 181325 MSSSD, MSCST, OTHER 27-17N-16W VAC OTHERS CLARIFY OTHER EST MSSP, OTHERS COMPL. INT. (MSSP) NCT 660' FB</p> |
| SPACING - 727546 (CD2022-002893) | <p>[8/16/2022 - GB6] - (E.O.)(640)(HOR) 22-17N-16W VAC 385684 MSCST 22-17N-16W EST MSSP COMPL. INT. (MSSP) NCT 660' FB 08/09/2022</p> |
| SPACING - 727547 (CD2022-002894) | <p>[8/16/2022 - GB6] - (E.O.) 22 & 27 -17N-16W EST MULTIUNIT HORIZONTAL WELL X675013 MSSP 27-17N-16W X727546 MSSP 22-17N-16W 67% 22-17N-16W 33% 27-17N-16W NO OPER. NAMED 08/09/2022</p> |

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043 23760 OAKES 3H-27-22